



HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO

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ANNUAL REPORT
April 18, 1940



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HOUSING AUTHORITY
OF THE CITY AND COUNTY OF SAN FRANCISCO

Established April 18, 1938

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HOUSING AUTHORITY OF THE CITY AND COUNTY
OF SAN FRANCISCO

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HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO
525 Market Street, San Francisco, California.

COMMISSIONERS

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MISS ALICE GRIFFITH
CARLTON H. WALL
ALEXANDER WATCHMAN

HOUSING AUTHORITY
OF THE
CITY AND COUNTY OF SAN FRANCISCO
525 MARKET STREET
SAN FRANCISCO, CALIFORNIA

ALBERT J. EVERS
EXECUTIVE DIRECTOR
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TELEPHONE YUKON 1661

April 18, 1940

To the Honorable Angelo J. Rossi, Mayor
and the Honorable Board of Supervisors
City and County of San Francisco
City Hall
San Francisco, California

Sirs:

Your Housing Authority has the honor to submit
herewith its Annual Report for the year ending
April 18, 1940, in accordance with Section 22
of the California "Housing Authorities Law".

The Housing Authority of the City and County of
San Francisco in presenting this Report does so
with the sincere belief that much has been
accomplished in the furtherance of a sound program
of low rental housing in San Francisco.

Respectfully,

Marshall Dill

Marshall Dill,
Chairman

INTRODUCTION

REVIEWING the state of the nation in his second inaugural address, President Roosevelt said: "I see one-third of the nation ill-housed, ill-clad, ill-nourished."

Congress responded to the first count in this indictment of living conditions by passing the United States Housing Act of 1937 which set up the United States Housing Authority as a body corporate of perpetual duration. The purpose of this Act was expressed in its title to "provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe and sanitary dwellings for families of low income and for the reduction of unemployment and the stimulation of business activity."

Under the Act all low rent housing programs must be initiated by the localities themselves. The United States Housing Authority acts as advisor and banker; it provides advice, technical assistance and funds after the requirements set forth in the law have been met by the applicants for loans, maintaining a supervisory and advisory relationship during development and operation for the entire life of the bond issue covering each project.

For many years our welfare and social agencies, both public and private, have been aware that substandard housing is closely associated with tuberculosis and other contagious diseases, juvenile delinquency, as well as high costs for police and fire protection. San Francisco is fortunate in being comparatively free from crowded and obvious slum areas when compared with other large metropolitan centers, which for many years have permitted their decaying, blighted areas to develop into increasingly bad urban slums. San Francisco's slum housing is generally manifested in small, but gradually enlarging blighted areas throughout the older parts of the City. These decaying areas, unless comprehensive rehabilitation is undertaken, will spread with the passing of the years, thus increasing the financial burden of taxpayers to maintain adequate municipal services.

Surveys and analyses of the cost of government in other cities shows very clearly that the cost of maintaining these blighted areas is much higher than the cost of providing governmental services to the better sections of the City.

Only public housing agencies are eligible to borrow money and receive a subsidy from the United States Housing

Authority. No aid under the provisions of the United States Housing Act may be given to individuals or to private corporations. Public housing agencies which may receive aid under the Act include local Housing Authorities and municipalities, counties and cities which are authorized to undertake and finance housing projects under proper State enabling legislation. In this City the public housing agency is the "Housing Authority of the City and County of San Francisco," which is a public corporation, created under California law for the principal purpose of developing and operating low rent housing projects.

Since the passage of the United States Housing Act thirty-eight states have enacted the necessary enabling legislation. The California Legislature in 1938, passed four enabling acts which may briefly be described as follows:

1. The Housing Authorities' Law—an act authorizing the creation of housing authorities to undertake slum clearance and housing projects for families of low income.
2. The Housing Cooperation Law—an act authorizing public bodies to aid housing projects of the various housing authorities by furnishing parks, playgrounds, streets and other improvements and facilities and making agreements for such aid, etc.
3. Eminent Domain Law—an act amending Section 1238 of the Code of Civil Procedure providing among other powers that housing authorities may exercise the right of Eminent Domain on behalf of slum clearance or in providing new housing for low income families.
4. The Tax Exemption Law—provides that the property and bonds of the housing authorities should be exempt from taxation and assessments.

With the passage of these laws, California communities were in a position to establish local housing authorities. The City and County of San Francisco, the City of Oakland, the City of Los Angeles, the County of Los Angeles, the City of Sacramento and other cities and counties have established housing authorities.

In San Francisco, the Board of Supervisors, on March 29, 1938, approved Resolution No. 3874 declaring the need of

a housing authority in San Francisco and requesting the Mayor to appoint the five Commissioners of the Authority. These Commissioners serve for four-year terms without compensation.

On July 5, 1938, the Board of Supervisors by Resolution No. 4051, authorized the execution of an agreement by which "Equivalent Elimination" of unsafe and insanitary dwellings is to be made in an amount substantially equal to the number of new housing units to be built by the Authority in the Holly Courts (Cal. 1-1) Project and Potrero Terrace (Cal. 1-2) Project, totaling approximately 660 units. Resolution No. 362 (Series of 1939) dated June 22, 1939, provides for the elimination of 3000 additional unsafe or insanitary dwelling units in the City and County of San Francisco, a total of 3660 units to be eliminated.

On February 1, 1939, the Board of Supervisors passed Resolution No. 56 (Series of 1939) authorizing the City and County of San Francisco to enter into a "Municipal Cooperation Agreement" with the Housing Authority of the City and County of San Francisco which provides that no taxes or special assessments will be levied against the Authority or its properties. This agreement also provides the City will furnish the same municipal services and facilities for

the low rent housing projects as furnished other dwellings in the City, including fire, police and health services; the City also agrees to cooperate in planning or replanning, zoning or rezoning areas within and near such projects.

This brief resume of controlling laws and agreements is ample evidence that this program is a cooperative enterprise between the Federal, State and Municipal governments to provide simple, safe and sanitary housing for families of low income and to give a better chance in life to their children—the men and women of tomorrow.

"I am a citizen of no mean City" is an ancient yet modern phrase echoed by all who love San Francisco. Our City has its own particular form of magnificence, its own broad sweep of grandeur in an unsurpassed setting. A close analysis, however, of our decaying, blighted sections will force thoughtful citizens to ponder on the broader aspects of urban life in San Francisco. Most of us are familiar with our fine buildings—our splendid commercial structures, our temples of science and art, our comfortable homes, but many of us are ignorant of conditions existing behind our once genteel but now shabby fronts; many of us are ignorant of the fact that facing narrow streets between our broad main traffic arteries, the hovels of the poor sink lower in sordid squalor.



Holly Courts—a new design for living

LEGISLATIVE AND LEGAL

ON OCTOBER 11, 1939, the Supreme Court of the State of California established the legality of the Housing Authorities Laws, under which the Housing Authority of the City and County of San Francisco was created as a public body, corporate and politic. In so doing they joined eighteen other high judiciary bodies in other states who have rendered similar opinions.

In a test case, entitled—"The Housing Authority of the County of Los Angeles vs. Isidore B. Dockweiler," the State Supreme Court, without dissenting vote said ". . . nor do we find any merit in the contention that the legislature has delegated county and municipal functions to special commissions in violation of Section 13 of Article XI of the Constitution . . . the essential purpose of the legislation is not to benefit any class; it is to protect and safeguard the entire public from the menace of the slums . . . nor is the government competing with private enterprise."

Under date of July 8, 1939, a taxpayer's suit was instituted in the Superior Court in San Francisco by one Antonia Kleiber against the Board of Supervisors, the Commissioners of the Housing Authority, and others, in which an injunction was sought to prevent the enforcement of the equivalent elimination and municipal agreements between the City and County of San Francisco and the Housing Authority, at-

tacking the validity of the resolution by the Board of Supervisors which declared the need of a housing authority in San Francisco. Plaintiff endeavored to show that the creation of the Authority was a legislative act and that, under the provisions of the Charter of the City and County of San Francisco, such an act should be by Ordinance rather than by Resolution.

On March 8, 1940, the Superior Court rendered its decision in favor of the defendants, and against the plaintiff, thus affirming the legality of the act of the San Francisco Board of Supervisors in creating the Housing Authority and the agreements of the City with the Authority.

Legal action has been initiated by the Housing Authority by right of Eminent Domain against individuals in connection with acquisition of certain parcels of land necessary for use as housing projects. This action is taken only when it appears that owners will not accept a fair compensation for their property and negotiations for such property have reached a stalemate.

This Authority has cooperated with other State Agencies in preparation of proposed legislation concerning the health and housing statutes of the State. Recommendations have been submitted regarding the strengthening of these statutes and methods of enforcement.



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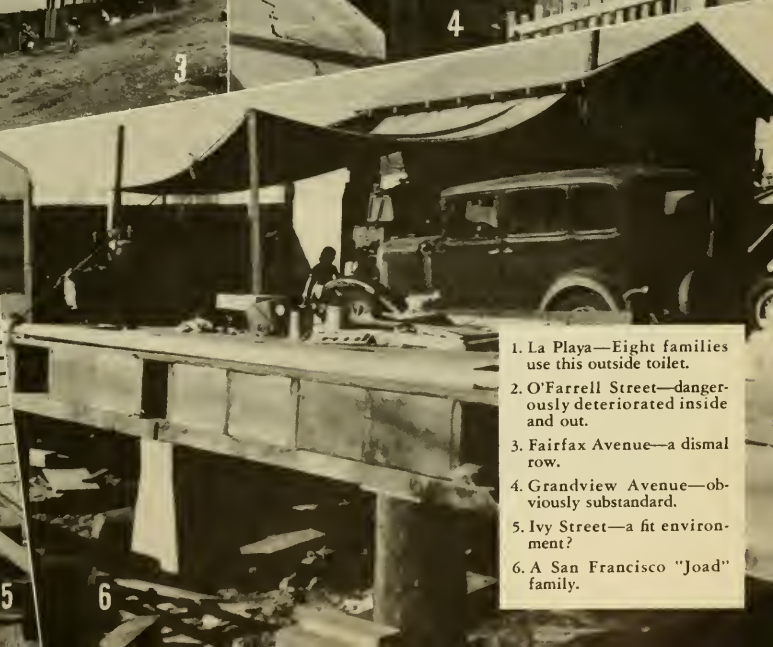
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6

1. La Playa—Eight families use this outside toilet.
2. O'Farrell Street—dangerously deteriorated inside and out.
3. Fairfax Avenue—a dismal row.
4. Grandview Avenue—obviously substandard.
5. Ivy Street—a fit environment?
6. A San Francisco "Joad" family.

SURVEYS

THE FIRST annual report of the Housing Authority included a summation of those scant data which were available relative to housing conditions in San Francisco.

Early in 1939 a Real Property Survey was initiated in cooperation with the Works Progress Administration, the City of San Francisco and the State Relief Administration. It was the purpose of the survey to secure in greater detail and by complete coverage an inventory of residential property, as well as data on family characteristics—their economic and social status—of those living in low income areas and substandard dwelling units. Enumeration by WPA field workers was commenced during the week of May 8th and was finished in the week of December 18, 1939.

During the early months of the enumeration, the project maintained a staff of between 150 and 225 workers. Each worker assigned to the project was given intensive instruction and training on the technical terms and procedures used by the enumeration staff. To qualify as an enumerator, each worker passed an examination on all technical and administrative procedures.

Due to a ruling of the United States Bureau of Census requiring all enumeration to be completed before the end of the calendar year, in the latter part of September the staff was increased as rapidly as possible until a maximum of 507 workers was assigned to the project. Since that time the project staff has been reduced as various functions have been completed and on April 1st there were only 156 workers.

The final financial arrangements which were made at the inception of the project included a grant from the Works Progress Administration of \$200,662 for labor, \$12,000 from the State Relief Administration for supplies and materials, \$10,000 from the City and County of San Francisco to be used for rentals and purchases, and \$5,520 earmarked by the Authority. Early in December of last year, it became evident that additional funds would be needed to complete the survey. The City and County agreed to increase their sponsorship by \$4,000, our Authority made an additional grant of \$2,000, and the Work Projects Administration granted an additional \$58,685 for labor. It is anticipated that the present funds are sufficient for the completion of the project.

Several steps were taken to safeguard against securing data which might be questionable or unreliable. A recheck analysis of discrepancies is now being made, and preliminary tests indicate that a high degree of accuracy was obtained by the original enumeration. In addition to this precaution, each of the schedules has been checked by a trained crew of editors

who had the responsibility of comparing all entries on the schedules for inconsistencies of data within blocks and localities. Subsequent to these careful checks the schedules are made ready for tabulation.

Tabulations of the data on basic items by blocks have been completed and further tabulations correlating the principal items secured by the inventory are now being made.

Without completed final tabulations only summary information is available for this report. There are 101,073 residential structures of all types within the boundaries of the City and County. In these structures there are 222,715 dwelling units. In addition, 499 hotels were enumerated which have been converted from commercial to residential uses. In this limited number of structures there are 34,288 dwelling units, occupied principally by single persons. (Due to the fundamental differences between these two types of dwelling units, the primary analysis and report on housing in San Francisco will exclude the dwelling units in converted hotel structures.)

Of prime importance to the Housing Authority are data relative to the degree of substandard conditions in the City. The local survey used the basic definitions of substandard as set up by the Works Progress Administration which was also used in practically all of the 300 cities in the nation where a Real Property Inventory has been conducted. There are, however, a few minor modifications.

Factors used to classify dwelling units¹ as substandard and preliminary totals of dwelling units within each substandard item are below. (See Map, Page 11.)

<i>Number of Units</i>	<i>Substandard Factors</i>
PHYSICALLY SUBSTANDARD	
25,658	Need Major Repairs
2,382	Unfit for Use
484	Located in Cellar
589	Without a Window in each Room
25,002	Without a Private Toilet and Bathing Facilities ²
600	Without Electricity or Gas for Lighting

¹*Definition of Dwelling Unit*—A dwelling unit is a room or group of rooms intended to be occupied by one family or household as their home and where they keep house and sleep. In a multiple dwelling building, a dwelling unit is considered as such when closed off from the rest of the structure. When part of a residential structure is rented out to another family without their quarters being completely closed off, this is counted as a separate dwelling unit only if the family has exclusive use of these rooms and is able to live a separate family life. Rooms or groups of rooms rented out to roomers are not considered as dwelling units.

²Includes lack of running water.

5,587 With Cooking Facilities in Bedroom

OCCUPANCY SUBSTANDARD

3,448 With more than 1.5 persons per room

2,329 Two or more families (rent under \$40)

It is of interest to note that the proportion of dwellings which lack private toilet and bathing facilities is the most glaring deficiency in San Francisco homes.

It is recognized by the Authority that this definition is quite limited in view of the fact that survey procedures did not permit enumerators to investigate conditions within the dwelling unit, but limited the coverage to the type of data obtainable by contacting the householder at the entrance to his home. As a result of this limitation, housing conditions in San Francisco can be assumed to be considerably worse than disclosed by the Survey. For example, the factor "Without Window in Each Room" was one of the criteria. In addition to such rooms being unlawful for residential purposes, it is also unlawful if the size of the window is below a specified ratio to the floor area or does not admit sufficient light and ventilation.

Thus, by using only the glaring substandard conditions, the survey has accounted for 45,728 substandard dwelling units. In the converted hotel structures there are an additional 27,082 substandard units.

A re-survey was made of the low income housing areas which enumerated particularly the family characteristics of low income families.

The Low Income Housing Area Survey used as a basis for selecting families the definition for substandard housing mentioned above, with special coverage of important racial groups including all of the negro families, 40 per cent of the Chinese and 20 per cent of white and other races.

Enumeration of families living in substandard dwelling units was started in September, 1939, and completed January 19, 1940, by eighty-five of the best enumerators, who were given intensive training in public relations and the technical phases of the survey.

Further data on both the Inventory and the Low Income Housing Area Survey will be published within the next few months. A small staff will be retained to analyze the data and to prepare two volumes for publication. One volume will contain maps delineating the various factors indicative of housing conditions; the second volume will include analysis of the data and detailed statistical tabulations of all survey material.

In addition to the above described surveys, the Authority proposes in cooperation with the City and County of San Francisco and with the facilities of the Work Projects Administration to undertake a cost-revenue survey of San Fran-

cisco on a census tract basis. This survey, it is believed, will indicate very definitely the distribution of municipal costs over the entire City. It will show whether or not substandard housing and blighted areas generally produce sufficient revenue in taxes to compensate for City services in such areas, and also whether or not the better, unblighted residential districts are subsidizing blighted areas by bearing an undue portion of the taxation load.

Many other large metropolitan areas have undertaken similar surveys and conclusive evidence has been secured indicating the high cost of blighted areas to the taxpayers. In Cleveland, for example, in 1932 a study of a blighted area revealed a district containing 2.5 per cent of the total population and 12 per cent of the total death from tuberculosis. This same district took 5 per cent of the city's cost of police protection; 7.5 per cent of the city cost for health services; and 14.5 per cent of the city cost for fire protection. The tax return to the city from this area would total, assuming no tax delinquency, \$225,000. This district cost \$1,356,000 for city services. In other words, the other taxpayers of Cleveland actually paid the deficit amounting to \$1,131,000. More simply stated, the *income* in this area amounted to \$10 per person while the *cost* to the city totaled \$61 per person.

The Housing Authority has initiated action to study possibilities for rehabilitation of blighted areas. Several conferences have been held with various governmental and private agencies; among them the Federal Housing Administration, the San Francisco Real Estate Board, the San Francisco Chamber of Commerce, the Northern California Chapter of the American Institute of Architects, the Producers Council, and the Associated General Contractors. The purpose of these conferences has been to discuss ways and means for a demonstration project of large scale rehabilitation in a substandard area with the hope that private enterprise could be shown a profitable field for activity.

The New York "Merchants Association Slum Re-development Committee" has been sponsoring legislation in New York providing the framework for such rehabilitation work. It is reported that the Legislature has passed the necessary acts providing for the following: 1. Approval by designated public authority of plans and financing. 2. Right of eminent domain in an area when 60 per cent of the property owners consent. 3. Tax concessions—basing assessment on old valuation for 10 years. 4. Limited dividends for 10 years and Municipal participation in excess dividends after the 10-year period amounting to one-third of the excess.

Such a plan, together with the recently announced insurance of large scale "Rehabilitation Loans" by the Federal Housing Administration would seem to carry tremendous business and social possibilities.

SUBSTANDARD HOUSING AND RELATED SOCIAL DATA

CENSUS AREA MAP



Source: U.S. Bureau of Census

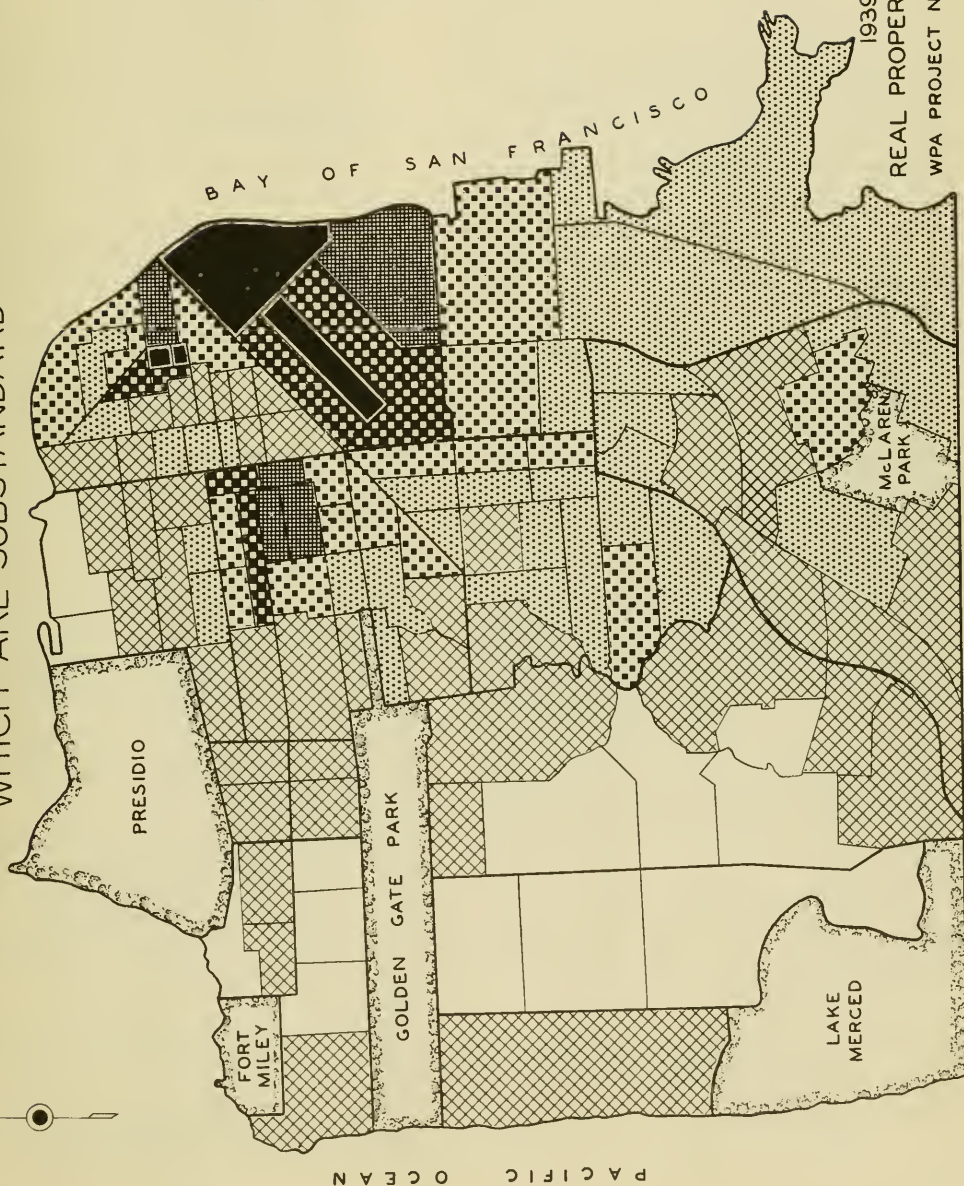
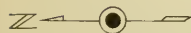
CENSUS AREA	DWELLING UNITS		JUVENILE DELINQUENCY	PEDESTRIAN TRAFFIC ACCIDENTS *	TUBER- CULOSIS CASE RATE**	
	TOTAL	PERCENT SUBSTANDARD				
			PERCENT DISTRIBUTION			
ALL AREAS	221,676	20.5	100.0	100.0		
A	41,171	22.8	12.2	18.9	267	
B	21,627	7.2	3.6	2.9	71	
J	45,989	38.9	23.3	13.7	148	
K	4,490	65.9	4.6	8.0	} 230	
L	13,090	28.8	13.4	13.7		109
M	18,879	14.3	10.0	9.7		
N	27,551	23.9	20.2	21.7	150	
DEGH	20,899	3.1	4.5	4.6	60	
OPQ	27,980	3.2	8.2	6.8	70	

* Involving children under 12 years of age from July to December, 1939.

** Per 100,000 persons. Data approximate for Census Areas.

Sources: Real Property Survey Police Department
Juvenile Court 1937 Tuberculosis Survey

PERCENT OF DWELLING UNITS WHICH ARE SUBSTANDARD



PERCENT	
LESS THAN 2	[White box]
2 - 14	[Diagonal lines]
15 - 29	[Dotted pattern]
30 - 49	[Cross-hatch pattern]
50 - 69	[Checkerboard pattern]
70 - 84	[Dense cross-hatch pattern]
85 - 100	[Solid black box]

1939

REAL PROPERTY SURVEY
WPA PROJECT No. 665-08-3-173

THE EQUIVALENT ELIMINATION OF SUBSTANDARD DWELLINGS

ELSEWHERE IN THIS REPORT may be found the statistical and pictorial evidence of substandard housing in San Francisco.¹ Necessary brevity does not permit inclusion of all of the pictorial data that have been accumulated by this Authority. However, the limited sample shown herein is fair evidence of the insanitary, unsafe and unhealthy dwellings in which many thousands of our low income citizens are forced to live.

All projects of the Housing Authority of the City and County of San Francisco to which the United States Housing Authority makes annual contributions, and which involve the construction of new dwellings must include a contract with the City for "the elimination by demolition, condemnation and effective closing, or the compulsory repair or improvement of unsafe and insanitary dwellings situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwellings provided by the Project" (Section 10a and Section 11a of the United States Housing Authority Act of 1937, as Amended).

The Board of Supervisors of the City and County of San Francisco, by Resolution No. 362, authorized the execution of an agreement by which equivalent elimination of 3,000 unsafe and insanitary dwellings would be made in addition to the 660 covered by a former existing agreement. The total number of 3,660 units thus covered is substantially equal to the number of new housing units to be built within the City and County under the present \$15,000,000 loan fund earmarked by USHA for San Francisco. Equivalent eliminations under these contracts as recorded by the Department of Public Health between July 8, 1938, and February 28, 1940, total 1,904 dwelling units. Dr. J. C. Geiger, Director of Public Health of San Francisco, in a letter dated February 28, 1940, to Chief Administrative Officer Alfred J. Cleary, reports as follows:

"Cases handled by the Division of Housing Inspection, subsequent to July 8, 1938, and condemnation proceedings instituted by the Division:

98 buildings were condemned as insanitary.

748 dwelling units eliminated as insanitary, dangerous and unfit for human habitation.

48 of the 98 buildings have been vacated and demolished.

50 of the 98 buildings have been condemned, vacated and are repaired to comply with the orders of the division, or are pending abatement in the Superior Court, repair or demolition.

Cases handled by the Housing Division subsequent to July 8, 1938, without condemnation proceedings:

77 buildings were reported.

346 dwelling units were eliminated by order of the division.

61 of the 77 buildings have been demolished.

9 buildings have been repaired to comply with orders of the division.

7 buildings have been vacated pending repairs or demolition.

In all 175 cases were handled by the division with a total of 1,094 dwelling units completely eliminated."

On the Holly Courts Project, Cal. 1-1, Equivalent Elimination has been recorded by the Health Department and forwarded to the United States Housing Authority by this Authority for credit covering the full 118 dwelling units planned for that Project. A breakdown of the eliminations indicates that 55 dwelling units were eliminated by compulsory demolition; 28 by compulsory closing; 12 by compulsory repair or improvement; and 23 demolished by private owners after action had been instituted by the department of Public Health, making a total of 118 insanitary dwelling units eliminated for this Project in accordance with the requirements of the USHA and the Equivalent Elimination Agreement of the City.

This Authority is now cooperating with the Department of Public Health in the preparation of additional reports to USHA which will cover equivalent elimination on the Potrero Terrace Project, Cal. 1-2, of 469 dwelling units, and the Sunnydale Project, Cal. 1-3, of 772 dwelling units. Further equivalent elimination will be reported as additional projects mature.

The Housing Authority wishes to express its appreciation of the helpful cooperation that has been evidenced by Dr.

¹ Summary Substandard Dwelling Map and photographs of substandard housing contained in this Report were prepared with the assistance of the Work Projects Administration O.P. 65-1-08-202.

J. C. Geiger, Director of Public Health, and Homer P. Thyle, Chief Housing Inspector of the Department of Public Health, and their staff.

In order that there be no misunderstanding of the term "substandard" this Authority is called upon by the USHA to adopt a definition of substandard housing. The definition as adopted is based almost entirely upon existing laws and ordinances, as follows:

A. PHYSICALLY SUBSTANDARD:

A dwelling unit should be considered substandard from a physical point of view if one or more of the following conditions exist:

a. *State of Repair.*

Any dwelling unit unfit for use or in need of major repairs or extensive minor repairs to overcome hazards to persons and health (State Housing Act as Amended in 1937, Sections 67 to 74 inclusive) and (Ordinance 1008, New Series City and County of San Francisco, Building Law, City and County of San Francisco).

b. *Equipment.*

1. Plumbing inadequate or not in accordance with sanitary requirements (State Housing Act, Sections 35 to 42 inclusive, and 54 and 58a) (Ordinance 615, New Series, City and County of San Francisco).

c. *Planning and Space.*

1. Room size insufficient (State Housing Act, Sections 30, 63 to 65).
2. Stairways, halls or fire escapes inadequate or insufficient (State Housing Act, Sections 43 to 53 inclusive).

d. *Faulty Relation to Adjoining Structures.*

Yards, courts, shafts, windows, set-backs, passage-ways, etc. If insufficient area or improper dimensions to supply adequate light and air. (State Housing Act, Sections 11 and 13 to 26 inclusive, also Sections 31 to 34 inclusive, also Sections 60 to 64.)

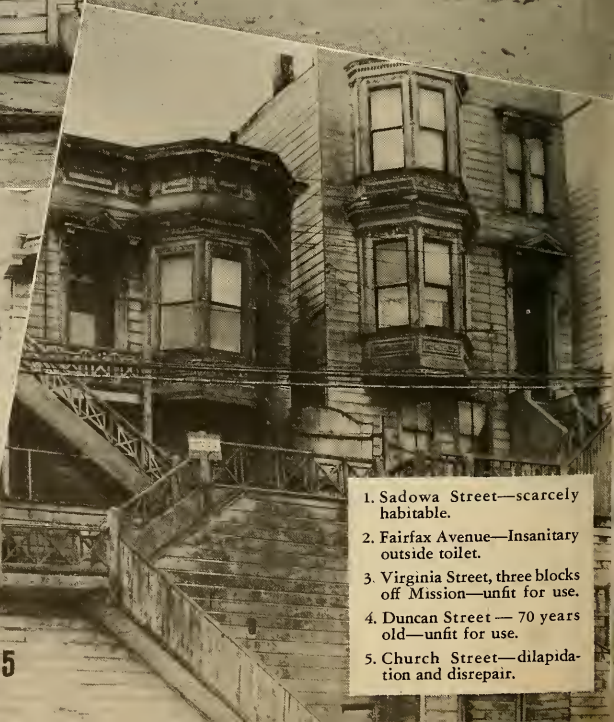
e. *Violations.*

Floor, shaft, vent, wall, boilerroom or garage structure hazardous (State Housing Act, Sections 12, 28 and 54 to 59 inclusive, also Section 61) (Ordinance 8564, New Series, City and County of San Francisco, Garage Ordinance Building Laws, San Francisco).

B. SUBSTANDARD OCCUPANCY CONDITIONS:

The housing conditions of a family should be considered substandard from an occupancy point of view if:

- a. The number of persons is in excess of 1.5 times the number of rooms.
- b. More than one family lives in the dwelling unit if rental is under \$40 per month.
- c. Cellars used for living or sleeping purposes.
- d. Rooms or dormitories occupied by excessive number of persons.
- e. Unsuitable rooms used for cooking or preparation of food.
- f. Unsuitable rooms used for living or sleeping purposes (State Housing Act, Sections 27, 62 and 65) (Ordinance 11,083, City and County of San Francisco, Gas Appliance Ordinance).



1. Sadowa Street—scarcely habitable.
2. Fairfax Avenue—Insanitary outside toilet.
3. Virginia Street, three blocks off Mission—unfit for use.
4. Duncan Street—70 years old—unfit for use.
5. Church Street—dilapidation and disrepair.

SITES AND LAND ACQUISITION

HOUSING TO BE ADEQUATE is more than mere shelter. Shelter against the elements is not housing in the complete sense. Earlier civilizations found caves and mud and wattle huts sufficient for their primitive needs, but our modern complex life requires far more facilities for the amenities of living. Public housing should provide the framework for a way of life for its tenants which must be set within the greater framework of the community and the City.

Shelter alone is not sufficient in our housing projects—low income families already have such shelter, however inadequate. But public housing contemplates privacy, adequate air circulation and sunlight—people require facilities for social contact, active and leisure activities and common services—they should be able to stretch and relax in desirable surroundings, not in cramped, dark quarters overlooking congested, heavily trafficked thoroughfares.

It is the desire of the Authority to provide insurance against deterioration of the neighborhood, and to provide opportunities for the growth of a better community life.

Such opportunities for a better way of living may be briefly enumerated as follows:

- (a) Provision for privacy for each family within the home, and opportunity for group life outside the home.
- (b) Adequate sunlight and ventilation in the rooms; adequate space; and space out of doors for active games and for rest and relaxation.

One of the most difficult phases of the Authority's work during the past year has been in the selection of sites.

It should be pointed out that site selection involves many considerations. Among the factors which influence site selection are transportation and shopping facilities, location of schools and public playgrounds, topography of the land, family incomes, size and composition of the families to be housed and land values.

Housing projects must fit into the established framework of the city and careful analysis of all the above factors is essential to the successful location of new housing; scarcity of suitable sites has been a difficult obstacle in San Francisco because the city is small in area and land values are high, particularly in the older, more densely populated sections of the city, where incipient blight has already begun its destructive work.

These high land costs have prevented the Authority from locating projects in certain areas in which they are most obviously needed. Densely populated central areas such as the Western Addition, Hayes Valley, Fillmore and North Beach sections have presented almost insurmountable obstacles due to high costs of land. The United States Housing Authority has imposed a restriction of \$1.50 per square foot for existing land and improvements. This regulation has for the time being limited the availability of sites in San Francisco.

It should not be construed, however, that those districts mentioned above are less substandard than other areas. The Authority has given much serious thought to the practical solution of the immediate problem of rehousing low income families as rapidly as possible on *suitable* sites that are obtainable within the price limitations imposed by the USHA.

It is almost impossible to meet all of the requirements which would characterize an ideal site; in order to overcome obstacles some requirements must be compromised.

The Authority's first three projects are now under construction upon sites that meet most requirements for ideal location. Inexpensive land, close proximity to existing community facilities were prime factors in the selection of these sites.

Unforeseen difficulties were encountered in obtaining a close-in site which was considered suitable for a large project. Calvary Cemetery, now abandoned, was selected by the Authority as the site for a project of one thousand dwelling units. Spirited controversy arose over the use of this site to such a degree that the entire housing program in San Francisco was jeopardized. Many protests were filed with the Commission including one from the Board of Supervisors, and on November 30, 1939, the Commissioners voted to abandon plans for the development of this site.

The acquisition of the land for housing projects is frequently a time consuming and lengthy process. Large scale planning involves the purchase of many small parcels of land and the Authority has to deal with many individual property owners in negotiating for purchase of the various holdings.

The site for Holly Courts (Cal. 1-1) was purchased from the City and County of San Francisco on August 5, 1939. There were no difficulties encountered in this transaction, inasmuch as it involved but a single parcel of land bounded by Appleton, Patton, Highland and Holly Park Circle.

Negotiations were commenced in April of 1939 for the purchase of properties bounded by Wisconsin, Texas, 23rd and 26th Streets, as site for the Potrero Terrace Project (Cal. 1-2). On February 13, 1940, a final decree under eminent domain was entered, bringing the acquisition program to a successful conclusion. Of the seventy-six parcels involved, sixty-six were acquired through purchase. The balance (ten parcels) were acquired under condemnation; of these only one was the subject of an unfriendly suit. The remainder, where stipulation as to price was agreed upon prior to court appearance, were included in the suit for various reasons, such as lack of probate proceedings, to quiet title, etc.

Acquisition of land for the Sunnysdale Project (Cal. 1-3) involves the purchase of forty-two parcels. As of March 31, 1940, twenty-two parcels have been purchased. While negotiations are being continued on the balance of the parcels, necessary steps have been taken to institute suit under eminent domain to secure title.

Negotiations and purchases for other sites are under way.

CONSTRUCTION PROGRAM

THE FIRST ANNUAL REPORT issued by this Authority covering the period ending April 18, 1939, stated that three applications for loans had been approved by the USHA and gave the status of these projects briefly as follows: HOLLY COURTS, Cal-1-1, "Bids will be received May 9th next"; Potrero Terrace, Cal-1-2, "Preliminary Drawings are nearly finished..."; Sunnydale, Cal-1-3 "... is now being studied for preliminary drawings."

The current year has witnessed commencement of actual building operations on these three projects and the establishment of a program for the utilization of the balance of earmarked funds.

The work covering any project comprises three phases—the preparation of project applications, the coordination of architectural and engineering services, and administration of construction operations.

At the outset of the program it was found that although much of the statistical data regarding the physical housing conditions in the city were based on incomplete surveys, enough data were available for the development of the first few sites. Data from the current Real Property Survey were utilized in the preparation of subsequent applications. Some ninety-five sites have been considered by this Authority, from which twelve, including projects now under construction, have been selected as suitable for development. This program contemplates the entering into Loan Contracts with the USHA for the full amount of funds earmarked for San Francisco, amounting to \$15,000,000, together with funds to be raised by local financing. A summary of this program is noted on the table below.

Project Number	Approx. Area (Acres)	No. of Bldgs.	Estimated Number of Dwelling Units								Rooms Unit	Stories	***Land Coverage	**Estimated Construction Cost
			3	3½	4	4½	5	5½	7	Total				
CAL-1-1	2.68	10		48		60		10		118	4.18	2	36.6%	\$ 380,000
†CAL-1-2	17.16	38		67	108	239		55		469	4.36	2-2½	13.1%	1,500,000
†CAL-1-3	48.83	90	42	39		531		145	15	772	4.60	1-1½-2	16.08%	2,195,000
CAL-1-4	4.96	8	113		78	59		28		278	3.85	3	27.44%	873,000
CAL-1-5	4.47	8	78		60	30		60		228	4.2	3	30.00%	730,000
*CAL-1-8	2.604	6	98		32	18		18		166	3.63	3	33.66%	479,000
*CAL-1-9	4.822	18	67	6	53	39		35		200	4.01	2½	28.03%	558,000
†*CAL-1-10	11.394	33	126	21	8	78		37		270	3.84	2-2½	18.3%	872,000
*CAL-1-11	2.26		75			52		23		150				480,000
*CAL-1-12				265		215		55	15	550				1,760,000
*CAL-1-15										300				960,000
*CAL-1-16	2.38	17	103		35		8	4		150	3.35	3-3½	30.00%	531,000
TOTAL										3,651				\$11,348,000

* Applications pending and in preparation.

** Estimated Construction Cost includes Site improvements. The estimated Construction Costs, together with land acquisition costs, Project Services, Carrying charges, Administration and equipment as budgeted in applications for loans comprise the total program estimate of \$16,621,169.00.

*** Ratio of net Building Area to net land area.

† Exclusive of separate Administration Building to be provided for the project.

As noted, Holly (Cal. 1-1), Potrero (Cal. 1-2) and Sunnydale (Cal. 1-3) are under construction. Furthermore, the USHA also has approved applications for Projects Cal-1-4 and Cal-1-5, and has entered into loan contracts with this Authority, making funds available for the development of these projects. Applications for Projects Cal-1-9 and Cal-1-10 have been submitted to the USHA. The remainder of the applications are in the course of preparation.

Cal-1-15 deserves special mention. This project is intended to relieve conditions in Chinatown, which is notorious for its poor housing. High land values, restricted areas, small holdings, types of building construction and other factors have militated against early development of a project in this district. Recently, the USHA, recognizing the peculiar problems of this district has approved the use of additional USHA funds up to two-thirds of the cost of land in excess of the normal limit of \$1.50 per square foot, providing the remaining one-third is raised locally. Following conferences between City officials, the Chinese Advisory Committee, the Junior Chamber of Commerce and many other representative organizations, the Board of Supervisors on March 4, 1940, pledged by resolution No. 852 (Series 1939) the sum of \$75,000 to meet this condition and make possible a project in Chinatown. Encouraged by this act of official cooperation, intensive study on this project has been undertaken.

As mentioned in the previous report, Holly Courts Project designed by Arthur Brown, Jr., Architect, had at that time reached the status of being ready for construction.

Bid documents for the Potrero Terrace Project, (Cal-1-2), by Associated Architects Frederick H. Meyer, John Bakewell, Jr., and Warren C. Perry, were completed in successive stages. Bids were called for and contracts let on three major headings: grading, street improvement, and general construction work. This project, comprising 469 dwelling units and covering 17 acres, because of the topography, will be one of the most unique projects in the United States, and provides excellent illustration of the value of group planning. This project utilizes land which is economically unsuitable for private development; a portion of this site at the time of acquisition was used as a dumping ground. Thus, a public liability is being transformed, without prejudice to private enterprise, into a splendid amphitheater supporting terraces of sunlit dwellings.

The completion of documents on the Sunnydale Project by Albert F. Roller and Roland I. Stringham, Associated Architects, although less difficult from a technical standpoint than those of either Holly or Potrero, was more spectacular

from a point of time. The preliminary studies had been carried on from April through to October, at which time, in compliance with a request from the USHA, November 27th was set for issuance of documents for bidding. The tremendous work of completing the working drawings and specifications was carried on under "forced draft" and bids were received on December 19th. The fact that this work was accomplished within such an exceedingly short time was due to the hearty cooperation by the Architects, their consultants, the representatives of USHA, and the coordination of these efforts by our Technical Staff. The Staff checked and edited documents, and planned for the development of off-site improvements necessary for approval of the site plan and acceptance by the City of its street system.

Bids for the general construction of Holly Courts Project were received by this Authority on May 9, 1939, and award was made to Barrett and Hilp, General Contractors, in the amount of \$373,787.00. Ground breaking ceremonies were held July 7, 1939, and work has continued without interruption from that day. This project is not only the first in the San Francisco program, but the first in the USHA program west of the Rockies to start actual construction. The time set in the specifications for completion of the work was 300 days, and allowing for authorized extensions, there is every indication that this projected schedule will be met by the contractor. In fact, a sample unit was completed and ready for public inspection on April 5th. The office of the project will be open for business May 1st, while it is expected that the entire project will be ready for acceptance by this Authority on May 31, 1940. This project is an excellent illustration of the value of group planning as developed under the housing program. For example, the typical residential blocks in the City are divided into narrow lots which are wasteful in effective utilization of the land. These typical blocks have from thirty to fifty residential structures containing from seventy to one hundred dwelling units in flats and single dwellings all limited in plan by the arrangement of street frontages, generally not over 25 feet wide. The deep, narrow buildings, pressed tightly together permit access of sunlight only to front or rear rooms, the remainder being poorly lighted and ventilated by small courts or "lightwells." Contrasted with this planless system of development Holly Courts contains approximately the same area as the average block but by proper arrangement of group housing provides 118 dwelling units in two-story structures. Thus group planning increases land utilization for dwellings by forty or fifty percent and provides for each dwelling unit ample light, air

and privacy. By such planning also small garden spaces are provided for tenants and sunny community play spaces developed, off the streets, for small children.

Construction work for Potrero Terrace, as previously noted, was segregated and contracts awarded as follows: General grading, Macco Construction Company. Street Improvement work, Eaton and Smith and Chas. L. Harney. General Construction, Meyer Construction Company. This was done to permit grading operations involving the moving of some 225,000 cubic yards of earth to proceed concurrently with final development of building plans and to allow for compacting of the earth and general readjustments of the grading during the winter months. The difficulty of obtaining certain parcels of land lying within the site seriously impaired this program, but nevertheless with responsive co-operation by the grading contractor, working two shifts part of the time, this work was brought to a successful conclusion on schedule, and work on the improvement of streets and the construction of buildings is now under way. It was necessary to remove power lines from the site and a contract was entered into with the utility company for this work. This was

carried on concurrently with the grading operations. The street improvement work was awarded in two separate contracts. Difficulties in signing contracts with private individuals holding property along boundary frontages for their share of improvement, has delayed in commencing of street construction work. However, general construction work is proceeding according to schedule.

Bids on the Sunnydale Project were received on December 19, 1939, and the low bidder, Barrett and Hilp, were awarded the contract and following receipt of formal order to proceed, are now vigorously prosecuting this work.

Architects have been selected for projects not yet under construction as follows:

Cal-1-4 Messrs. W. W. Wurster and Harry S. Thomsen.

Cal-1-5 Messrs. Clarence H. Tantau and William G. Merchant.

Cal-1-12 Messrs. Timothy L. Pflueger and Lewis P. Hobart.

Cal-1-15 Messrs. Mark Daniels and Henry T. Howard.

The following table gives the schedule of project applications upon which approval has been received from the USHA:

Project	Application Submitted	Application Approved		Advertised for Bids	Contract Signed	Order to Proceed	Ground Breaking	Estimated Date of Completion
CAL-1-1	10/28/38	12/14/38	Gen. Constr. Ranges (Cooking)	4/12/39 1/19/40	3/30/39	7/7/39	7/7/39	5/31/40
CAL-1-2	11/5/38	12/14/38	Grading	7/26/39	10/16/39	10/23/39	9/17/39	1/30/41
			Street Impr. Prop. No. 1	9/8/39	12/18/39	3/18/40		
			Prop. No.2	9/8/39	12/19/39			
			P. G. & E.		10/12/39	10/17/39		
			Gen. Constr.	10/26/39	12/24/39	3/5/40		7/17/41
CAL-1-3	2/17/39	3/30/39	Gen. Constr.	11/22/39	2/8/40	3/18/40	2/17/40	4/21/41
CAL-1-4	1/10/40	3/5/40						
CAL-1-5	4/21/39	6/24/39						
*CAL-1-6	2/13/39	3/30/39						
**CAL-1-7	3/14/39	4/12/39						

* Abandoned by Commission of Housing Authority of the City and County of San Francisco 7/6/39.

** As supplement to Cal-1-2, increasing from 298 to 469 dwelling units.



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1. Operations at Sunnydale Project—April 1, 1940.
2. Commissioner Griffith breaks ground as Mayor Rossi looks on at Holly Courts—the West's first public housing project.
3. Interior Garden View—Holly Courts—April 1, 1940.
4. View of Potrero Terraces as of April 1, 1940.

TENANT SELECTION AND MANAGEMENT

HOLLY COURTS, San Francisco's first housing project of 118 units will open for occupancy in June 1940. While there are many advantages in opening a large program with a small development, a difficult tenant selection problem was faced in selecting only 118 families from the hundreds of applicants who have applied. In solving this problem and many others that arose the counsel of the Tenant Selection Advisory Committee has proven invaluable.

The Committee advises the Authority on tenant selection policies. It also approves all selected applications, rules on appeals from decisions of the Tenant Selection Division, and has given helpful advice on many other problems.

Families having the lowest incomes able to pay the rent and families in greatest need of better housing are given preference in selection. To achieve this aim local maximum income limits for Holly Courts were established, ranging from about four to four and one-half times the rent, well under the USHA limits of from five to six times the rent.

The following tables indicate maximum family income limits, rents, number and size of dwelling units, and family sizes as planned for the Holly Courts Project.

SCHEDULE OF LOCAL MAXIMUM INCOME LIMITS

Number Persons in Family	2	3	4	5	6
Maximum Income	\$72.00	\$82.00	\$85.00	\$88.00	\$90.00

HOLLY COURTS RENT SCHEDULE

No. Units	No. Rooms Accommodated	Persons Shelter Rent	Utilities	Total Rent
48	3½*	2 to 3	\$12.90 \$5.05**	\$17.95
60	4½	3 to 4	14.20 5.50	19.70
10	5½	5 to 6	15.40 5.80	21.20

*½ room is 60 square feet for dining space generally added to kitchen.

**Utilities include ample allowance of electricity, gas and water. Garbage removal included in total rent.

The need of families for better housing was graded by a carefully devised scoring system. Items weighed most heavily include living accommodations in condemned buildings, in buildings unfit for use or in need of major repairs, no running water, no electricity, no private toilet or bath, no proper kitchen facilities, unsafe heating arrangements, doubled up or over-crowded conditions. All other eligibility factors on

each application are also graded and the resulting comparative score determines the order of preference in selection of tenants.

Families accepted for Holly Courts must have one member, preferably the head, who is a citizen or has first papers and must have county residence. Preference is given families with children under the age of 16. Reliable rent paying habits are also a factor in final selection.

As a general policy the Authority will attempt to house families in the same general neighborhood where they have religious, school and social ties.

The Tenant Selection Staff was carefully chosen with specific job qualifications in mind, some on a leave of absence from other public agencies. Each was given an initial training period of from one to five weeks and participated in the compilation of manuals for his specific work. All forms and procedures were tested experimentally before being drawn up in final form.

Applicants are registered and notified by letter to make formal application following initial study for eligibility. After review applications are routed to field interviewers for scoring of housing need. Meantime social service exchange clearances, employment letters and other verification correspondence have been mailed. Those applications remaining in the selected groups are next routed to an agency worker who reads relevant records and clears all remaining eligibility factors.

These carefully worked out procedures executed by a well-qualified staff assure the Authority of uniform treatment of applications and final selection of tenants meeting high standards.

Experience with first seekers of the new homes demonstrated from the beginning a splendid understanding of the aims of the housing program and a fine cooperative spirit towards the Authority, while, at the same time revealing a deep human yearning for a decent home for their children.

Tenant information was disseminated through many articles in the daily press, through speeches and by the distribution and posting of tenant selection pamphlets in schools, churches, union offices, social agencies and neighborhood centers.



WHITE
EAGLE

GALEX

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1. Showing insanitary and inadequate community kitchen facilities.
Grant Avenue—Chinese community kitchen in hallway.
2. Stockton Street—another Community kitchen.
3. Grant Avenue—entrance to Chinese apartments—not seen by tourists.
4. A disease-breeding alley in Chinatown.
5. Union Street—A two family residence.

A great impetus toward better public understanding was given by the opening to visitors of the budget-furnished home at Holly Courts. An energetic Committee of the San Francisco Housing Association, headed by Mrs. Donald Gregory, devoted much time and effort in completely furnishing a 3½ room flat on a budget of less than \$85.00. This demonstration is serving to acquaint all with the new homes and giving many wise, practical suggestions to the families who will move to Holly Courts.

MANAGEMENT:

Because of the fact that Holly Courts will be not only the first project opened by the San Francisco Housing Authority but also the first west of the Rockies, particular care has been given to the development of management plans.

In accordance with routine procedure an estimate of annual income and expense has been made which is given below.

ESTIMATED ANNUAL BUDGET	
<i>Net Income</i>	
Rents and Utility Charges (less vacancy loss)	\$26,526.20
USHA contribution (adjusted maximum)	20,662.00
	\$47,188.20
<i>Expense and Debt Service</i>	
Management	\$ 6,193.00
Operating Services	2,140.00
Utilities	7,336.00
Repairs, Maintenance and Replacements	5,864.00
Miscellaneous	1,506.00
Contingency Reserve	2,846.20
Interest and Amortization	21,303.00
	\$47,188.20

Approximately one month before occupancy in June the tenants will have been selected and a very careful program initiated preparing them to meet financial and furniture problems incident to their occupancy.

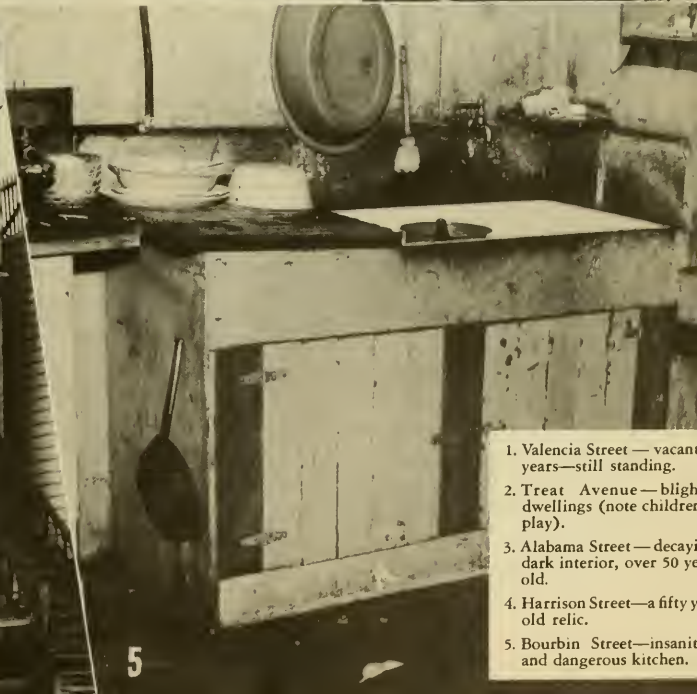
At the time the lease is signed a sworn statement of family's total income will be taken and thereafter once yearly. A deposit of \$5.00 will be required but will be refunded when the family vacates the premises in good condition.

The management will encourage a program of community activities which will get under way slowly as residents express a desire for them.

Every effort will be directed towards integrating the project into the existing community life and neighborhood facilities will be utilized where available. In furthering the same, neighbors will be invited to use project facilities wherever possible.

A social hall, fully equipped with kitchen stove, china and silver, is provided for meetings, clubs and, at a small charge, for the private use of the residents. Fine play facilities are available for school children across the street at Holly Park and recreation equipment within the courts will meet the needs of pre-school children. Three large sandboxes and a number of garden benches will be located within the five interior courts. Most families will have individual gardens for their private use and enjoyment. It is anticipated that a considerable reduction in maintenance costs will be achieved through fostering a spirit of cooperation and pride among the residents in caring for their new homes.

Only experience itself can be the final test of later developments in management planning which will be governed with the primary purpose of better serving of project residents, of the immediate neighborhood and the City at large, within the limitations of sound business management.



1. Valencia Street — vacant years—still standing.
2. Treat Avenue — blighted dwellings (note children play).
3. Alabama Street — decayed dark interior, over 50 years old.
4. Harrison Street—a fifty year old relic.
5. Bourbon Street—insanitary and dangerous kitchen.

THE AUTHORITY AND THE PUBLIC

THE PROGRAM AND ACTIVITIES of the Housing Authority are governed by a Commission of five members, appointed by the Mayor, all of whom serve without compensation. Regular weekly meetings of the Commission have been held during the past year at the offices of the Authority, 525 Market Street. Each Commissioner has made considerable sacrifice of time in connection with the functioning of the Authority.

The Commission consists of the following members:

MARSHALL DILL

Chairman of the Commission; Importer, former President of the San Francisco Chamber of Commerce, foreman of the 1938 Federal Grand Jury, President, 1940 Golden Gate International Exposition. Term expires April 27, 1940.

ALEXANDER WATCHMAN

Vice Chairman of the Commission; President of the San Francisco Building Trades Council, American Federation of Labor. Term expires March 31, 1942.

MISS ALICE GRIFFITH

Well known for her devoted and unselfish work in the community, particularly the Telegraph Hill Neighborhood House and the San Francisco Housing Association. Term expires April 13, 1942.

E. N. AYER

Apartment house operator, Secretary-General Manager of the Bargene Realty Company, Ltd., Director San Francisco Apartment House Association, Inc. Term expires March 31, 1943.

CARLTON H. WALL

Vice-President and Manager, The Grant Company, officer and director of numerous corporations and business enterprises. Term expires May 3, 1941.

Mr. Ayer was appointed by Mayor Rossi on October 25, 1939, to fill the unexpired term of Mr. Charles Page, who resigned to enter private business.

Mr. Wall was appointed on March 26, 1940, upon the resignation of Mr. L. M. Giannini.

During the past year it was found desirable to seek the recommendations of a number of Advisory Committees on certain pertinent phases of the Authority's program. As the construction program advanced on the first project, Holly Courts, the Authority turned its attention to the problem of tenant selection and management. A Tenant Selection Advisory Committee was appointed with Commissioner Griffith as Chairman. Outstanding workers in the field of social welfare were selected to recommend policies and procedure in connection with this phase of the program. The personnel of the Committee is as follows:

MISS ALICE GRIFFITH, *Chairman and Commissioner of the Authority.*

MRS. GRETCHEN GRAY, *Case Worker, State Relief Administration, representing the Coordinating Council of the CIO.*

MISS LUCILLE HENRY, *Director of Social Work, Community Chest.*

MR. HYMAN KAPLAN, *Executive Director, Federation of Jewish Charities.*

MRS. PRUDENCE KWIECIEN, *Executive Secretary, Family Service Agency.*

MISS PHOEBE MATTHEWS, *Executive Secretary, San Francisco Coordinating Council.*

MRS. RACHEL T. WARD, *Administrative Supervisor, State Relief Administration.*

MISS ANNIE CLO WATSON, *Executive Secretary, International Institute.*

Housing conditions in Chinatown have long been recognized as among the poorest in the City. As the Authority progressed in its study of the Housing problem in Chinatown it became evident that a Chinese Advisory Committee would be invaluable. On February 8, 1940, the Commission appointed the following prominent Chinese citizens to assist in the development of the Chinese Housing project:

CHEE S. LOWE, Chairman

ROBERT S. LEE	KENNETH LEE
DR. THEODORE LEE	CHIN GIM HAM
ALBERT CHOW	RICHARD FUNG
THOMAS LEONG	CHAN YAN

KENNETH Y. FUNG

The San Francisco Housing Association was called upon to assist in the preparation of a budget furnished home at Holly Courts. A Tenant Aid Committee consisting of Mrs. Donald M. Gregory as Chairman, Mrs. Morse Erskine, Mrs. Leon Sloss, Jr., Mrs. Frank Gerbode and Mrs. Horace Gray worked diligently in furnishing this demonstration unit.

The Authority next turned to the problem of housing for the colored citizens of San Francisco. A Negro Advisory Committee has been considered and is now in the process of organization.

The Commission wishes to express its thanks to these Advisory Committees who have given freely of their time and efforts in the promulgation of a sound housing program for San Francisco.

Particular mention should be made concerning the Authority's staff of some forty-four members. They have worked long hours with enthusiasm and loyalty, and the quality of

the work has been of high standard. It is perhaps pardonable to note with some pride that San Francisco's program is further advanced than that of any city or county on the Pacific Coast.

As the program of the Authority progresses, greater numbers of citizens are becoming interested; as they become acquainted with the true objectives and guiding principles, their enthusiasm and support grow proportionately.

Many organizations have appointed "Housing Committees" and the active participation of these organizations, committees and of individuals in forwarding the cause of low rent housing has been most gratifying to the Commission. On the other hand opposition to "housing" has generally been due to lack of accurate knowledge, misinformation and in a few cases fear that in some way the rights of property or property values would be adversely affected.

In order to make known the truth about housing, the Authority has sent staff members to various groups for talks and discussion and in many cases shown a sound film produced by USHA entitled "Housing in Our Time." The cooperation of all of the major dailies and practically all neighborhood weeklies has greatly assisted in dissemination of news and factual data.

With the cooperation of station KFRC, which donated radio time, the Authority presented "The Housing Reporter," a weekly dramatization of the Housing program in San Francisco. This series of broadcasts, which ran for seventeen consecutive weeks, received much favorable comment. Capable actors were secured to enact these dramas through the cooperation of Work Projects Administration.

Group tours have been organized, upon request, to the Holly Courts project, where staff members have explained the various points of interest in and about the project. These tours are becoming increasingly popular as evidenced by requests which come from organizations within the City and numerous requests from high schools and colleges in the Bay Area.

The Authority is engaged in the preparation of exhibit material which will be displayed throughout the City. Assistance is being rendered by the National Youth Administration in the execution of scale models, etc. for this purpose.

Acknowledgment is hereby made of the splendid cooperation given to this Authority by Mr. Nathan Straus, Administrator of the USHA and his Washington staff and also by Mr. Winters Haydock, Director of the Regional Office of USHA and his staff.

The San Francisco Housing Association has been of invaluable assistance in promoting public understanding of the program through the various meetings which it has sponsored during the year.

The Authority wishes to thank the San Francisco Housing Council, the Junior Chamber of Commerce, the School of Social Studies, Miss Catherine Bauer, Rosenberg Professor at the University of California and the many organizations and individuals, too numerous to mention, who have so staunchly supported the work of the Authority.

Particular mention should be made of all public officials who, by their interest in the program, have presented much advice and encouragement, including Mayor Angelo Rossi; the Board of Supervisors; Chief Administrative Officer Alfred J. Cleary; Dr. J. C. Geiger; Controller Harold J. Boyd; A. D. Wilder, Director of Public Works; members of the Utilities, Fire, Police, Planning, Park, Recreation and Welfare Commissions, Board of Education, and William R. Lawson, Administrator for Northern California of the Work Projects Administration.

It has been, and will continue to be, the policy of this Commission, to present its public statements in a straightforward, factual manner. Much emotionalism has colored opposition to the program, but it is believed that San Francisco's citizens, when acquainted with the truth, will assist in making available decent housing to citizens of low income and thus provide opportunity for children to grow in healthful home surroundings.

FINANCIAL

THE FUNDS OF THE AUTHORITY are obtained through loans and bond issues secured by revenues from its various housing projects. Initial loans amounting to \$22,000 were made to the Authority by the City and County of San Francisco to finance the preparation of the first loan applications for USHA funds. Of this amount a substantial sum has been repaid and the balance is being used as a revolving fund to be returned to the City Treasury when available. Since every cent of USHA funds must be charged to a definite existing project, preparation of applications for loans on projects which do not yet exist must be financed by such a revolving fund supplied from local sources.

The United States Housing Authority was authorized by acts of Congress to issue \$800,000,000 in bonds. Money from the sale of USHA bonds is loaned to local authorities in return for temporary notes and later, for bonds of the local authorities which are a lien on the income of a project or projects. The USHA may purchase up to 90% of bond issues of the local authorities and 10% must be sold to private investors. By evidence of several bond issues lately marketed by Eastern Authorities private investors will purchase a much larger percentage than required by law and at lower interest rates than can be allowed from USHA.

In addition to the "Loan Contract" on each project there is also executed with USHA an "Annual Contributions" Contract whereby in consideration of certain commitments

by the local authority the USHA pledges to pay each year a sum not to exceed 3 to 3¾% of the total development cost of the project.

On the Holly Courts project this annual contribution is limited to payment of \$20,662 per annum and on other projects in proportion to their size. Thus when all projects under present earmarking are completed the annual contributions may aggregate from \$400,000 to \$500,000 per year in total. Annual Contributions are made to assist in the reduction of rentals to the tenants and by Federal laws must be matched by a local contribution amounting to at least 20% of the sum obtained annually from USHA. The local contribution is accomplished by means of tax exemption of all projects which is made mandatory by California State Laws passed in January 1938.

For each project a complete operating budget is established in which all carrying charges, operating expenses, and reserves for repairs, maintenance and replacements are carefully estimated and balanced against indicated income from rent and annual contributions. By careful analysis based upon experience of large projects elsewhere the financial program for operation is closely forecast before the dwellings are occupied by tenants.

A consolidated financial statement is given herewith to show the status of various funds and accounts as of March 31, 1940.

CONSOLIDATED BALANCE SHEET

PROJECTS UNDER LOAN CONTRACT, MARCH 31, 1940

ASSETS

Account	Total	Projects Cal. 1-1	Cal. 1-2	Cal. 1-3	Cal. 1-4	Cal. 1-5
Cash	\$ 290,909.01	130,850.60	114,217.52	38,825.98		7,014.91
Bond Subscribers	6,759,000.00		1,624,000.00	2,970,000.00	1,241,000.00	924,000.00
Development Costs	942,675.63	447,266.58	315,424.46	174,820.75		5,163.84
Indeterminate Expenditures (Municipal Fund)	2,032.05		2,032.05			
Ineligible Expenditures	14.00		14.00			
Contra Accounts						
Uncompleted Contracts	3,590,102.24	69,393.15	1,415,007.29	2,098,726.80		6,975.00
Bonds Unissued						
Series "A"	947,000.00	61,000.00	242,000.00	389,000.00	139,000.00	116,000.00
Series "B"	7,727,000.00	502,000.00	1,983,000.00	3,177,000.00	1,129,000.00	936,000.00
Series "B" 10%	770,000.00	50,000.00	198,000.00	317,000.00	112,000.00	93,000.00
TOTAL ASSETS	\$21,028,732.93	1,260,510.33	5,893,695.32	9,165,373.53	2,621,000.00	2,088,153.75

LIABILITIES

Account	Total	Projects Cal. 1-1	Cal. 1-2	Cal. 1-3	Cal. 1-4	Cal. 1-5
Notes Payable	\$1,096,573.77	502,000.00	375,573.77	207,000.00		12,000.00
Contract Retentions	35,954.01	31,978.44	3,585.07	390.50		
Development Account						
Creditors	85,276.78	36,968.00	44,794.28	3,514.50		
Bond Subscriptions:						
"B" Bonds	6,759,000.00		1,624,000.00	2,970,000.00	1,241,000.00	924,000.00
Accrued Interest	17,826.13	7,170.74	7,734.91	2,741.73		178.75
Contra Accounts						
Contract Awards	3,590,102.24	69,393.15	1,415,007.29	2,098,726.80		6,975.00
Bonds Authorized						
Series "A"	947,000.00	61,000.00	242,000.00	389,000.00	139,000.00	116,000.00
Series "B"	7,727,000.00	502,000.00	1,983,000.00	3,177,000.00	1,129,000.00	936,000.00
Series "B" 10%	770,000.00	50,000.00	198,000.00	317,000.00	112,000.00	93,000.00
TOTAL LIABILITIES	\$21,028,732.93	1,260,510.33	5,893,695.32	9,165,373.53	2,621,000.00	2,088,153.75

CONCLUSION AND RECOMMENDATIONS

THE FOREGOING PAGES have briefly described the activities of the Housing Authority during its second year of operation.

Much has been accomplished; but much remains to be done.

Your Housing Authority, at the conclusion of its present construction program, will have provided about 3600 new homes for our low income citizens. Such a program, however, does not solve the housing problem in San Francisco. Many families in the lowest level of the "middle income" group—families whose aggregate income is just barely above the maximum allowable for assistance in the current program are in many cases almost as badly housed as are our low income group. This problem is one that enlightened government and a public-spirited citizenry must work out together. Only by the sympathetic cooperation of all citizens can we hope to emerge successfully from the maladjustments which today affect our community.

It is quite generally supposed that actual slum clearance and rebuilding on the cleared site is the ideal procedure. This on the contrary may not be true and housing may not be the *best* use for a blighted substandard area which should be cleared. Clearance however by other means than purchase by the Housing Authority is difficult, since San Francisco is "spotty" and its substandard areas are not consistent. The Department of Public Health is the Agency which has legal power to compel clearance work and the elimination of slum conditions but an adequate departmental personnel and full public support are essential to permit full functioning. It is recommended that every facility be afforded to the Director of Health and his staff for carrying out the requirements of Housing and Sanitary laws.

Rehabilitation of blighted areas by private enterprise may be held as impractical unless done by large scale effort and with a profit to the owners. New type loans for neighborhood rehabilitation are offered by the Federal Housing Administration. It is recommended that study be made of possible City cooperation, tax adjustments or other inducement to promote a reclamation of unprofitable shabby districts which now act as blockades for better uses.

With the firm belief that Housing and City Planning are correlated functions it appears desirable that action be initiated to effect a master plan for the City as provided by the City Charter of 1932. A sound, long range program in city planning will assist greatly in the establishment of healthy *planned* growth of our City.

Zoning is an important part of city planning—one that deals with problems of density, height and use of buildings and has proved to be a safeguard to our citizens by controlling land use. However, the greatest protection that could be provided would be the development of planned growth—we should attempt to foresee and plan for the most efficient use of every part of our metropolitan area for the coming years. Studies should be undertaken of population trends, industrial and commercial growth, transportation, parkways, recreational facilities, etc., etc. Careful analysis should be given to subdivision and speculative practices. Elimination of our blighted areas should be studied and carried forward jointly by governmental and private initiative. It is recommended that ways and means be studied to adequately implement the City Planning Commission for a long range planning program.

This Authority is most desirous of cooperating with other agencies, both governmental and private in these tasks.



Garden view of Sunnydale Housing Project

